
**CALIFORNIA STUDENT AID COMMISSION
GRANT ADVISORY COMMITTEE MEETING**

10811 International Drive
Rancho Cordova, CA 95670

**MINUTES
AUGUST 16, 2007**

A meeting of the Grant Advisory Committee was held on Thursday, August 16, 2007, in the California Room at CSAC Headquarters.

ADVISORY COMMITTEE MEMBERS:

Mary Lindsey, Chair PI
Lora Jo Bossio, Interim AVC, UC
Louise McClain, Commission Liaison
Timothy Bonnel, CCC
Laura Cunha, PI
Lisa Douglass,
Marco De La Garza, CCC
Kate Jeffery, UC
Noelia Gonzales, CASFAA
Catherine Graham, AICCU Alternate
Susan Gutierrez, CSU
Sally Pace, K-12
Mary Robinson, CSU

STAFF:

Catalina Mistler, Chief, PASD
John Bays, Chief, Information Technology
Steve Caldwell, Chief, GRPA
Jorge Cortez, School Support Services Branch
Bryan Dickason, Manager Cal Grant Operations
Christina Ellis, School Support Services Branch
Gloria Falcon, Manager, PPD
Bob Illa, Manager, Fiscal & Administrative Services
Debi Jackson, Applications & Project Services
Yvette Johnson, Manager, School Support Svcs
Tae Kang, Cal Grant Operations
Lori Nezhura, School Support Services Branch
Thea Pot-Van Atta, Manager, Student Support Svcs
Kristen Trimarche, PPD

Lorena Hernandez, Commissioner

GRPA (Governmental Relations and Public Affairs Division)
PASD (Program Administration and Services Division)
PPD (Program Policy and Development)

Roll Call was taken and a quorum was recognized.

TAB 1 – APPROVAL OF MINUTES FROM OCTOBER 14, 2005, FEBRUARY 21, 2006, APRIL 14, 2006, AND MAY 26, 2006.

Minutes from the October 14, 2005; April 14, 2006; May 26, 2006; and February 21, 2006 meetings were approved.

TAB 2 – CONSIDERATION OF BUDGET CHANGE PROPOSALS (BCP) FOR 2008-09

Steve Caldwell, Chief, Governmental Relations and Public Affairs Division, requested the Committee's assistance in prioritizing proposed changes to the Commission's programs in

anticipation of a tight budget year in FY 2008-2009 and in response to the Commissioners' request. In addition, Mr. Caldwell asked for discussion of levels of increase for some programs.

Mr. Caldwell indicated that these BCPs have been brought forward because the issues have been through the Legislature and the Commission has theoretical support from the Legislature to increase the programs.

Tim Bonnel, California Community Colleges Chancellor's Office (CCCCO), raised concerns regarding the inability to come to agreement on prioritizing the BCPs due to each segment's institutional preferences. Kate Jeffery, University of California Representative, agreed and suggested that the Committee would be willing to endorse that all five proposals are important to pursue.

Mr. Caldwell briefly differentiated between the process of submitting BCPs to the Department of Finance versus taking the issues forward as proposals to the Legislature and the need for information to justify the items within either framework. Also discussed were the options of including all of the issues in one BCP or policy paper and indicating that these are the Commission's priorities or presenting them to the Legislature as legislative proposals either individually or inclusively and asking the Legislators which they want to carry.

Committee members suggested two strategies for prioritizing the BCPs:

1. Member Jeffery recommended calculating the cost of each proposal and developing a plan to phase-in the proposals to equalize the costs across the programs. This suggestion was further refined to ensure that a balanced approach be followed to serve all constituency. It was agreed that all of the proposals are important and a plan should be developed to achieve all of them so that some progress may be realized in each area.
2. Member Bonnel suggested considering existing legislation on the subjects of first year Cal Grant B recipients and access grant indexing in order to identify support for specific issues and prioritize accordingly while concurrently considering the affect on all constituents.

Tab 2.a. – Increase Number of Competitive Awards

Mr. Caldwell pointed out that annually over 100,000 students apply, but five out of every six and some years six out of seven students, do not receive funding due to the constraint of awarding 22,500 grants. It was acknowledged that this issue has come before the legislature in the past but has not been taken forward, so a continuation of the discussion is desired.

The GAC Workgroup, which met earlier in the morning, had generated a suggestion, which was to start with asking the Legislature to fund all zero EFCs. Concerns were raised about this approach as it is unknown how many students would be included in that group and that the number would be too large.

Committee members discussed ideas for expanding the entitlement program, which could eliminate some need for increasing the competitive awards. However, due to the fact that many students who are served by the competitive program are re-entry, adult students, they would not be reached for some time if only the entitlement program existed in its current format. Mr. Caldwell also indicated that the Legislature supports

both the entitlement program and the competitive program. While the preference would be to have a purely entitlement program, it's not fiscally possible, so the competitive program exists to serve the secondary population to the extent possible.

Mary Lindsey, Chair, Proprietary Institution Representative, directed the focus of the discussion back to specifically addressing the issue of increasing the number of competitive awards.

Tab 2.b. – Increase Maximum Cal Grant B Access Grant

Mr. Caldwell pointed out that the \$1,551 access grant has not been increased in over eight years and that the Commission is working towards ascertaining how the access grant is applied by students and what other programs may also be applied to costs.

Member Bonnel and Mr. Caldwell agreed to further discuss the figures provided by the SEARS study and the Zumeda Report in relation to calculating a proposed increase to the access grant.

Tab 2.c. – Provide Tuition/Fees to All Cal Grant B Recipients

Committee members did not engage in discussion specifically related to this topic.

Tab 2.d. – Increase Maximum Award at Non-public Institutions

Mr. Caldwell reported that this issue cannot be part of the phased-in approach suggested by Member Jeffery since it is the Commission's intention is to remove the issue from statute and use the UC and CSU formula by which awards are increased when institutional fees increase.

Mr. Bonnel voiced concern about the makeup of the workgroup that reviewed this proposal and stated that it should be an intersegmental issue as the change would impact the other segments served by the Cal Grant Programs.

Tab 2.e. – Increase Number and Amount of Cal Grant C Awards

Chairperson Lindsey advocated separating this issue into three distinct proposals: the total number of awards, the amount of tuition and fees, and the allowance for books and supplies. The priority of these being the book and supply allowance because the amount has not been updated in 20 years and it addresses the greatest number of students who benefit from that program.

In addition, if the issues were bifurcated and the amount of the book and supply allowance was considered independent of from the tuition and fee component, the potential for obtaining an increase in the amount would be improved. When asked for their input, Laura Cunha, Proprietary Institution Representative, Marco De La Garza, California Community Colleges Representative, and Member Bonnel agreed with Chairperson Lindsey.

Mr. Caldwell submitted that the Governor has begun to focus on career technical education, which may provide support for potential increases in the Cal Grant C program. Member De La Garza concurred and pointed out the need to bring Cal Grant C up to the same level of importance as the Cal Grant A and B programs.

Member Jeffery recommended focusing on the amount of the awards not the percentage since 7,700 out of 10,000 students receive the grant.

After Chairperson Lindsey asked the Committee about making a motion or providing feedback to Mr. Caldwell, a motion was made by Mary Robinson, California State University Representative, that the Committee supports the Commission's efforts to seek increased budgetary support for the Cal Grant local assistance programs. Member Bonnel seconded the motion and it was carried with three abstentions.

A second motion was made by Member Jeffery that the Committee endorses pursuing additional funding for the Cal Grant Program and specifically recommended that the pursuit be based on a balanced approach among the five funding increase proposals as presented by staff, with the exception of BCP #5 – Cal Grant C Increases, in which GAC recommended limiting the focus to seeking an increase in the amount of the Cal Grant C books and supply allowance component of the award. Chairperson Lindsey seconded the motion and it carried five abstentions.

There being no further business, the meeting of the Grant Advisory Committee was adjourned at 3:33 p.m.

MARY LINDSEY, CHAIR
GRANT ADVISORY COMMITTEE